

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 13-289—HB 6477

Insurance and Real Estate Committee

Judiciary Committee

**AN ACT CONCERNING VARIOUS REVISIONS TO THE COMMON
INTEREST OWNERSHIP ACT AND THE CONDOMINIUM ACT**

SUMMARY: This act makes several changes affecting condominiums and other common interest communities.

It subjects community association managers to disciplinary action for knowing and material violations of the Common Interest Ownership Act (CIOA) or Condominium Act (see BACKGROUND).

The act exempts board members or association officers under CIOA and the Condominium Act from criminal liability, under certain circumstances, for alleged violations of the state building or fire safety code or a municipal health, housing, or safety code. This immunity applies when the board proposes a special assessment to cover the cost of repairs needed to ensure compliance with the codes and the unit owners vote to reject the assessment. (It appears that for communities governed by CIOA, the immunity only applies if the special assessment is proposed according to the law's procedural requirements for such assessments.)

CIOA generally allows executive boards to provide board members and unit owners a schedule of board meetings instead of providing specific notice in advance of each meeting. Under the act, if the board provides unit owners with such a meeting schedule, the secretary or other officer specified in the bylaws must make an agenda available to board members and unit owners no later than 48 hours before the meeting.

CIOA sets certain conditions for proxy voting. The act specifically allows associations to provide proxy forms to unit owners seeking to vote pursuant to a directed or undirected proxy. (A directed proxy specifies how the vote is to be cast, while an undirected proxy allows the person who is given the proxy to decide how to vote.) The proxy forms must include a blank space for the insertion of the proxy holder's name. The act also allows the forms to include the name of a person the association designates as the default proxy holder. Such a person is authorized to exercise the proxy if the unit owner does not specify the name of the proxy holder subject to the limitations set forth for proxy voting under CIOA and the act.

Under CIOA, associations must keep detailed records of receipts and expenditures affecting their operation and administration and other appropriate accounting records. The act specifies that this includes records relating to any reserve accounts.

EFFECTIVE DATE: October 1, 2013

COMMUNITY ASSOCIATION MANAGERS

By law, community association managers must register with the Department of Consumer Protection (DCP). The act adds to the grounds upon which DCP's Real Estate Commission can take disciplinary actions against community association managers by allowing such actions due to knowing and material violations of any provision of CIOA or the Condominium Act. Such disciplinary actions include (1) revoking, suspending, or refusing to issue or renew the manager's registration certificate; (2) placing him or her on probation; or (3) issuing a letter of reprimand. By law, the commission can revoke or suspend a registration certificate only after notice and a hearing in accordance with the Uniform Administrative Procedure Act.

BACKGROUND

Common Interest Ownership Act (CIOA) and Condominium Act

CIOA governs the creation, alteration, management, termination, and sale of condominiums and other common interest communities formed in Connecticut on and after January 1, 1984 (CGS § 47-200 et seq.). Certain CIOA provisions, including those amended by this act, also apply to common interest communities created in Connecticut before January 1, 1984, but do not invalidate existing provisions of the communities' governing instruments. Common interest communities created before then can amend their governing instruments to conform to portions of CIOA that do not automatically apply (CGS §§ 47-214, 216, 218).

The Condominium Act (CGS §§ 47-68a to 47-90c) governs condominiums created from 1977 through 1983, except when CIOA applies.

Related Act

PA 13-182 changes requirements under CIOA for approval of annual budgets and special assessments for certain large common interest communities and master associations meeting specified criteria.

OLR Tracking: JO:DC:PF:ts